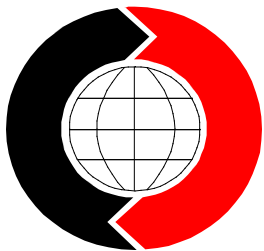

Global Competition: Challenges and Solutions

Supply Chain Management

**4th Industrial Energy Efficiency Symposium &
Exposition**



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Agenda

- Introduction
- Arthur Rowe – John Deere & Co
 - SCM from downstream manufacturers' perspective
- John Oleson – President of OCI (prev. Director – Dow Corning)
 - SCM from Chemical Industry Perspective
- John Wilson – IBM Global B2B Solutions
 - Role of IT in SCM
- Discussion



Supply Chain (Network) Definition

- Broad Scope
 - Raw material supply to end customer & return (reverse logistics - ‘dirt-to-dirt’, P&G’s ‘tree-to-toilet’)
- SC Flows – Info (data, knowledge), Materials, Funds
- Internal, External (Extended Supply Chain)
 - Internal - flows within the company
 - External - flows between company & suppliers, customers
 - Extended Enterprise™ - Chrysler’s system-wide chain
- Spans the entire Product Life Cycle*



SCM across the PLC*

- Product development, design and SC design
 - 80% of product costs are fixed before 1st unit is produced
 - Consider SC measures (cost, quality, service) at different PLC stages

	Discover	Development	Deployment	
Cost	Early Suppl Involvement Matl, Cost, Proc Plng	Yield Improvemt Process Design	Contin Improve- ment (Kaizen)	Trad SCM role
Quality	Supplier Selection & Dev	Supplier Qualif & Cert.		Cost Mgt
Service Level	Selection & Reuse (Design for SCM...)	Build capacity		Reduce Supply Base

* Based on a framework developed
Mary Murphy-Hoye of Intel Corp.

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Supply Chain Management Opportunity

- Traditionally focused on cost
 - 15-20% reduction in operating costs often cited
- Recently utilized for service improvement
 - Speed to market now seen as a requirement to compete
- Motivated by competitive advantage created by SC design
 - Wal-Mart & P&G
 - Dell, Cisco
 - Virtual Enterprises....
- Future entails optimizing
 - The internal company supply chain
 - The external 'extended' supply network



Our Challenge Today

Identifying the SCM/supply network
opportunities
specifically for
energy-intensive materials industries.....

